

District III Advisory Board Minutes
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April 20, 2005
7:00 p.m.

Colvin Neighborhood City Hall
2820 S. Roosevelt

The District III Advisory Board meeting was held at 7:00 p.m. at the Colvin Neighborhood City Hall at 2820 S. Roosevelt. The District III City Council member, Jim Skelton and nine (9) District Advisory Board members were in attendance. Five (5) City staff were present and approximately nine (9) members of the public, most of whom signed in.

Members Present

Jim Gulick
William Ward
Joann Hartig
Charlotte Foster
Judy Dillard
Matt Foley
John Kemp
Dewayne Kitchen
Jesse Sheffield
CM Jim Skelton

Members Absent

Staff Present

Vicki Mork
Allen Bell
Officer Ginny Wylie
Patsy Ellis
City Manager George Kolb

Guests

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ORDER OF BUSINESS

Call to Order

Council Member Skelton called the meeting to order at 7:05 pm. Nine DAB members were sworn in.

Approval of Minutes

Ward (Hartig) moved that minutes from the April 6, 2005 meeting be accepted and approved with correction on page 2 item 4.

Action Taken: Minutes approved by 9-0 vote.

Public Agenda

1. Scheduled Items

No items were scheduled.

Recommended Action: Provide comments/take appropriate action.

2. Off Agenda Items

None were presented.

Recommended Action: Provide comments/take appropriate action.

Staff Presentations

3. Community Policing

Officer Ginny Wylie, South Patrol 25 Beat reported that gang graffiti is still problematic. They did develop a plan of action to respond non- resident burglaries. Fliers were developed and distributed to educate folks about keeping their garage doors shut and locked to prevent thefts.

At 7 p.m. on April 25th there will be a taser meeting at Patrol South to explain the new technology and demonstrate it. The plan is to have 50 tasers per bureau which can be checked out by officers that want to utilize them. The weapon will be carried on the officer's weak hand side. It will be the officers preference whether to carry one or not. Another taser meeting is to be held tomorrow 7 p.m. at the Atwater Neighborhood City Hall.

Foster asked that a presentation and demonstration of the taser be given at each District Advisory Board meeting. **Officer Wylie** said she would check with Lt. Vaughn. These meetings are being held to gather public input. **Officer Wylie** explained tasers could be very helpful for back up especially in instances when the suspect is high on drugs or under the influence and not responding to mace or pepper spray.

CM Skelton introduced Sarah Skelton, City Manager George Kolb and Sandy Kolb.

Recommended Action: Receive and file.

4. Transportation Services Agreement

Allen Bell, City Manager's Office AirTran Airways gave an abbreviated history of the City's agreements with AirTran. He began by explaining he returned to Wichita in 1992 when Vanguard, a low price airline, was run out of town due to the predatory pricing practices of other airlines. This resulted in higher than high airfares. Consequently the exorbitant prices resulted in many Wichita business people driving to meet their business connections in Kansas City. It was too expensive to have them fly into Wichita. This was a real crisis for businesses.

Former City Manager Chris Cherches and Mayor Bob Knight formed a task force to explore options for opposing the high cost of airline travel. They realized the predatory pricing practices in the industry would drive out a lower priced airline by beating ticket prices and increasing flights. This tactic is effective as customers are driven by cost and convenience.

The task force explored many ideas and finally hit on the idea of a travel bank. Consumers like Southwest Airlines and everyone wants them in their market. However Southwest is not slated to expand their services to the Wichita market for many years. Low cost carriers are very much in demand now and losing AirTran would be devastating to Wichita's economy.

A suitable low cost carrier for Wichita had to be servicing three hub airports, Denver, Atlanta and Chicago. Wichita needed connections to these three. AirTran seemed to be a good choice as they were looking to expand first year.

The Travel Bank concept meant businesses would make monetary deposits in an account that would only be used to buy tickets to the three hub airports with preferred airlines. The plan showed the need of the community for reasonably priced airfare. AirTran needed a revenue guarantee to close the deal for continued service at Wichita.

The first year the City provided \$3 million to AirTran. Initially they served Chicago with a direct flight but found it didn't workout. The second year the City provided \$1.5 million. During both years AirTran went through the entire revenue guarantee by nine months and they operated at loss after that. Customary predatory pricing and additional flights from competing airlines impacted AirTran. Although the Wichita airport was a bright spot nationwide after 9/11 with incredible increases in airport traffic.

Airfares have been reduced by about 30 percent so far. The arrangements with AirTran saved flying public over \$200 million in ticket prices. Before AirTran 40 percent of flying folks drove to Kansas City or Oklahoma City and flew out of those cities seeking lower airfares. The program was working but not enough passengers were flying AirTran. The flying public was using legacy carriers with competitive fares and the frequent flyer options were also attractive to the travelers.

The most recent agreement covers May 8, 2005 through May 7, 2006. The renegotiated contract improved the arrangement between AirTran and the City. AirTran stated they could not afford to operate without making a profit. They no longer wanted to operate under a cap. A no cap \$2.5 million contract was negotiated with the County pledging another \$1 million and the Chamber of Commerce has began fund raising of \$1.54 million to enhance the AirTran frequent flyer program. AirTran was ready to leave this market because of the cap however, meetings with businesses relayed positive benefits of the program.

The City agreed to no cap agreement for AirTran that provides a unilateral cancellation clause. Once the subsidy is gone either party may terminate the agreement according to the clause with 75 days notice. City must monitor expenditure of funds to foresee the depletion with 75-day notice. AirTran frequency of flights relates to the level of service and they have

agreed to add a third daily flight leaving and arriving. It will begin June 7th. The Summer time is heavy flying season.

Foster asked about the publicized large executive compensation packages for AirTran managers. **Bell** says his view says we picked a winner on of the few successful airlines. **Ward** asked if Delta ever made a pitch offering to work with Wichita. **City Manager George Kolb** explained that he had talked to Delta today regarding their route to New York City. **City Manager Kolb** said the Council would be willing to hear their proposal to help grow our economy and help Wichita but Delta was not interested in that. They want \$1million subsidy but will not agree to restrain their fares if the City terminates the contract with AirTran. AirTran and Delta are in heavy competition. It's the older airlines or the legacy carrier versus the low cost airlines. Kolb feels Delta will sue through the Federal Airline Administration but feels that Wichita is in a good position.

Foster asked about \$1 million from Chamber of Commerce, \$1 million from county and \$2.5 million from City questioning the origination of the funds from Brooks landfill. **City Manager Kolb** explained the fund balance that was accumulated to cover the closing requirements of the landfill has been drawing interest. It is the interest that is being used for these economic development activities with AirTran. The fund for closing Brooks Landfill is not being touched.

Hartig asked are businesses being asked to fly AirTran. **Bell** explained they were but some local companies such as Koch contracted for Houston flights due to their business holdings there. Other businesses strongly urge utilization of AirTran. They have high levels of commitment to this market. Convenience is big driver of air travel. **City Manager Kolb** clarified the City is not promoting use of AirTran that is the job of the Chamber of Commerce.

Gulick related he recently bought two airline tickets to Germany and found Wichita prices were very competitive. Bringing AirTran into Wichita with subsidies has benefited him but he didn't book AirTran. **Bell** said he believes affordable airfares contribute to a better Wichita.

Foster asked where does the City stand with the Airport Board. **City Manager Kolb** replied we stand where we stand and the City is not eager to reestablish airport board.

Jody Bennet if other cities subsidized AirTran. **Bell** replied at least a half a dozen cities, some of which were smaller and some were bigger. **City Manager Kolb** said subsidization not a new concept, when he was at Augusta they had an arrangement with both Delta and Lansing. **Bennet** asked if cities willing to subsidize could form a coalition. **City Manager Kolb** replied that all cities were operating independently. **Bennet** stated she does not agree with tax support of private businesses.

CM Skelton clarified the phrase "no cap" as he felt like it sounded like we could pay them more. **Bell** says City of Wichita can't spend more than amount authorized by Council but a supplemental appropriation could be authorized. **Skelton** then asked for comments from

every DAB member. **Sheffield** asked if the AirTran expense affected services in District III. **Kolb** replied not a bit as the money was taken from a special fund. **Foster** said it seems like there is a need for affordable airline travel and the convincing presentation makes it clear the expenditures must have close monitoring to allow the City to terminate the contract with appropriate time line. **Sheffield** supports discount airlines but wonders how long before AirTran becomes profitable and can we continue that long.

Dillard supports economic development but feels like the average taxpayer does not understand it's importance. She said we don't hear enough about the business support of AirTran. The City's funding has been impacted by reduced states sharing of sales tax monies but she supports subsidizing. She thinks it's important for the City to do a better job of informing public.

Foley said low-income neighborhoods have a hard time understanding benefits of AirTran but costs are linked to economic development, which is important. **Hartig** agreed we need AirTran but her neighbors don't travel and don't understand the value of the service to the City.

Gulick supports AirTran economic development, which supports jobs. He's interested in maintaining and growing jobs and said he thought Kansans will stand still for any type of tax hike if it's not related to property taxes.

Ward says Council made the proper decision and must now stand up to the FAA. He wants the Council to keep the arrangement with AirTran and reorganize boards if necessary. He doesn't want City to spend lots of money on a lawsuit.

Kitchen says AirTran subsidy is necessary to counter the predatory pricing from competitors. He doesn't fly much but he knows people who are steadfast AirTran flyers and know it's a good deal. He wants citizens to stand behind City government with the Delta conflict. He urges other businesses to utilize AirTran more.

Kemp supports subsidization. Has long history here in Wichita and has seen airfares fluctuate greatly. Wichita is growing and needs AirTran to help businesses in the community to prosper. He believes the City has to spend money to grow and the subsidy is a tool to achieve a dream. **Kemp and Gulick** said they support the City and Sedgwick County subsidization of AirTran.

Recommended Action: Ward (Kemp) recommended the City of Wichita do what's necessary to support AirTran and deal with FAA. Motion passed unanimously 9-0.

Board Agenda

5. Updates, Issues and Reports

Foster reported she had Environmental Health neighborhood inspector ride through the Fabrique Neighborhood with her this afternoon. The WIN Visioneering meeting on health at

St. James was nearly same as WSU presentation. Cathy Sexton and Jack Brown are leading the committee. It is a problem to know all the agencies and their services.

Sheffield reported he and Officer Virgil Miller are working on a basketball tournament. No date yet.

Hartig commented that the Visioneering meetings held during the day make it hard for an employed person to attend. **Skelton** suggested she call the Chamber and provide feedback on that.

Foley reported he brought more books for the Planeview Library as donations from his mom.

Foster went to courthouse and reported that for \$15.00 fee got a listing of all property owners in Fabrique Neighborhood Association.

Hartig (Kemp) motion to adjourn.

Recommended Action: Receive and file.

6. Next Meeting

The next regularly scheduled meeting for District Advisory Board III will be May 4, 2005 at Colvin Neighborhood City Hall at 7:00 p.m.

No Action Required

Adjournment

Respectfully Submitted,

Vicki Mork, Neighborhood Assistant

Visitors

Jody Bennett	1709 E. 48 th St. South
Paul Davis	6417 S. Madison Ct.
Sarah Skelton	5903 E Skinner
Elena Ingle	3608 Meadowlane
Lonny Wright	1020 W. McArthur